

MISCELLANEOUS SERVICES**13.1 PRESUBSCRIPTION**

- 13.1.1 Presubscription (PIC-2) allows Customers to presubscribe to their carrier of choice for InterLATA toll calls, without dialing the Access Code. The rates specified in Section 3, Service Connection Charges, will apply each time the Customer requests a change to their interLATA PIC.

13.2 VANITY TELEPHONE NUMBER

- 13.2.1 At the request of the Customer, the Company may assign a telephone number with the last four digits selected by the Customer. The assignment is subject to availability of a particular number and subject to the terms and conditions set forth under Section 2, Rules and Regulations, 2.1.3.

The following charges apply for Vanity Telephone Numbers: ⁽¹⁾

	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
Gateway Services	\$22.50	\$1.00
Custom Exchange Service (CES)	N/C	\$5.00

13.3 INDIVIDUAL CASE BASIS**13.3.1 Individual Case Basis Arrangements**

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service not generally offered under this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. ICB arrangements will be made available for inspection by the Commission upon request.

⁽¹⁾ Charges apply, per number.

MISCELLANEOUS SERVICES**13.4 SPECIAL CONSTRUCTION****13.4.1 Basis for Charges**

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company and may include: (1) non-recurring type charges; (2) recurring type charges; (3) termination liabilities; or (4) combinations thereof.

13.4.2 Basis for Cost Computation

The costs referred to in 13.6.1, above, may include one or more of the following items to the extent they are applicable:

- a) Cost installed of the facilities to be provided including estimated costs for the rearrangements of existing facilities. Cost installed includes the cost of:
 - 1. equipment and materials provided or used,
 - 2. engineering, labor and supervision,
 - 3. transportation, and
 - 4. rights of way;
- b) cost of maintenance;
- c) depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- d) administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;
- e) license preparation, processing and related fees;
- f) tariff preparation, processing and related fees;
- g) any other identifiable costs related to the facilities provided; or
- h) an amount for return and contingencies.

13.4.3 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the Customer.

13.4.3.1 The termination period is the estimated service life of the facilities provided.

ISSUED: August 8, 1996

EFFECTIVE: October 8, 1996

By: D. Craig Young, President
425 Woods Mill Road, Ste. 300
Town & Country, MO 63017

MISCELLANEOUS SERVICES

13.4 SPECIAL CONSTRUCTION - (Continued)

13.4.3 Termination Liability -(Continued)

13.4.3.2 The amount of the maximum termination liability is equal to sixty-five percent (65%) the estimated amounts for:

1. Cost installed of the facilities provided including estimated costs for arrangements of existing facilities and/or construction of new facilities as appropriate, less net salvage. Cost installed includes the cost of:
 - a) equipment and materials provided or used,
 - b) engineering, labor and supervision,
 - c) transportation, and
 - d) rights of way;
2. license preparation, processing, and related fees;
3. tariff preparation, processing, and related fees;
4. cost of removal and restoration, where appropriate; and
5. any other identifiable costs related to the specially constructed or rearranged facilities.

13.4.3.3 The applicable liability method for calculating the unpaid balance of a term obligation is obtained by multiplying the sum of the amounts determined as set forth above by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined pursuant to the above paragraphs shall be adjusted to reflect the redetermined estimate net salvage, including any reuse of the facilities provided. This product is adjusted to reflect applicable taxes.

ISSUED: August 8, 1996

EFFECTIVE: October 8, 1996

By: D. Craig Young, President
425 Woods Mill Road, Ste. 300
Town & Country, MO 63017

13.5 TEMPORARY PROMOTIONAL PROGRAMS

13.5.1 The Company may establish temporary promotional programs wherein it may waive or reduce non-recurring charges, to introduce present or potential Customers to a service not previously received by the Customers. All such rates will be submitted to the PUC for approval. Promotional offerings are intended to be limited duration programs which are beneficial to customers, and are not intended to replace the Company's obligations to seek approval of permanent rates and charges. The company shall notify the director of the Public Utility Division by letter specifying the service(s) offered, terms of the promotion, location and dates of each promotion. Such notice shall be provided 30 days prior to the initial offering of the campaign. Any promotional campaign found not to be in the best interest of the end-user(s) shall be rejected by the Director of the Public Utility Division and returned to the Company with a brief explanation of the reason for the rejection.

13.6 NUMBER RETENTION

The following charge applies whenever a customer requests to retain a telephone number.

	<u>Recurring Charge</u>
Number retention, per telephone number	\$1.25

ISSUED: August 8, 1996

EFFECTIVE: October 8, 1996

By: D. Craig Young, President
425 Woods Mill Road, Ste. 300
Town & Country, MO 63017

OPERATOR SERVICES

TABLE OF CONTENTS

	<u>PAGE NO.</u>
14. OPERATOR SERVICES	
14.1 Directory Assistance	14.2
14.2 Operator Assistance	14.2
14.3 Busy Line Verification and Interrupt	14.3

ISSUED: August 8, 1996

EFFECTIVE: October 8, 1996

By: D. Craig Young, President
425 Woods Mill Road, Ste. 300
Town & Country, MO 63017

OPERATOR SERVICES**14. OPERATOR SERVICES****14.1 Directory Assistance**

A customer may obtain Directory Assistance in determining telephone numbers within its local calling area by calling the Directory Assistance operator.

- 14.1.1 The Customer will be allowed to make up to 5 calls per month to Directory Assistance at no charge. Each call to Directory Assistance thereafter will be charged as follows:

Per Call
\$0.25

- 14.1.2 The Customer may request a maximum of two telephone number per call to Directory Assistance service.

- 14.1.3 A credit will be given for calls to Directory Assistance under the following circumstances:

- a) The Customer experiences poor transmission or is cut-off during the Call; or
- b) The Customer is given an incorrect telephone number.

- 14.1.4 To obtain a credit, as identified under 14.1.3 above, the Customer must notify its Customer Service representative.

- 14.1.5 In addition to the five call allowance, each customer shall be allowed one direct dialed long distance directory assistance call within their home NPA FOR EACH direct dialed home NPA long distance call appearing on the customer's bill.

- 14.1.6 No charges shall apply to calls to Directory Assistance made by end-users placed from patient rooms at medical hospitals.

ISSUED: August 8, 1996

EFFECTIVE: October 8, 1996

By: D. Craig Young, President
425 Woods Mill Road, Ste. 300
Town & Country, MO 63017

14.2 Operator Assistance

14.2.1 A customer may obtain the assistance of a local operator to complete local exchange telephone calls in the following manner: ⁽¹⁾

- a) Third Number Billing: Provides the Customer with the capability to charge a local call to a third number which is different from the called or calling party. The party answering at the third number has the option to refuse acceptance of the charges in advance or when queried by the operator.
- b) Collect Calls: Provides the Customer with the capability to charge a call to the called party. On the operator announcement of a collect call, the called party has the option to refuse acceptance of charges in advance or when queried by the operator.
- c) Calling Cards: Provides the Customer with the capability to place a call using a calling card of an Interexchange Carrier with or without the assistance of an operator.

14.2 Operator Assistance - (Continued)

14.2.1 A customer may obtain the assistance of a local operator to complete local exchange telephone calls in the following manner: ⁽¹⁾ - (Continued)

- d) Person to Person: Calls completed with the assistance of an operator to a particular Station and person specified by the caller. The call may be billed to the called party.
- e) Station to Station: Calls complete with the assistance of an operator to a particular Station. The call may be billed to the called party.
- f) General Assistance: The Customer has the option to request general information from the operator, such as dialing instruction, country or city codes, area code information and Customer Service 800 telephone numbers, but does not request the operator to complete the call.

14.2.2 Operator Assisted Surcharges

The following surcharges will be applied :

	<u>Per Call</u>
Third Number Billing	\$1.57
Collect Calling	\$1.57
Person to Person	\$2.70
Station to Station	\$1.20
General Assistance	N/C

⁽¹⁾ In addition, to the rates specified in Section 4, Local Exchange Services, 4.3.2, Rates, surcharges as specified under 14.2.2, also apply.

⁽¹⁾ In addition, to the rates specified in Section 4, Local Exchange Services, 4.3.2, Rates, surcharges as specified under 14.2.2, also apply.

- 14.2.1 Busy Line Verification: Upon request of the calling party, the Company will determine if the line is clear of "in use" and report to the calling party.
- 14.2.2 Busy Line Verification with Interrupt: The Operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.
- 14.2.3 Rates: Rates for Busy Line Verification and Interrupt Service, as specified below, will apply under the following circumstances:
- a) The operator verifies that the line is busy with a call in progress.
 - b) The operator verifies that the line is available for incoming calls.

OPERATOR SERVICES

14. OPERATOR SERVICES - (Continued)

14.2 Operator Assistance - (Continued)

- 14.2.3 Rates: Rates for Busy Line Verification and Interrupt Service, as specified below, will apply under the following circumstances: - (Continued)

- c) The operator verifies that the called number is busy with a call in progress and the Customer requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. The following charge will apply for both verification and interruption:

	<u>Per Request</u>
Busy Line Verification	\$1.20
Busy Line Interrupt	\$2.70

ISSUED: August 8, 1996

EFFECTIVE: October 8, 1996

By: D. Craig Young, President
425 Woods Mill Road, Ste. 300
Town & Country, MO 63017

RANDOM HOUSE UNABRIDGED DICTIONARY

Second Edition

*Dedicated to the memory of
Jess Stein*

COPYRIGHT © 1993, 1987, BY RANDOM HOUSE, INC.

First Edition: Copyright © 1983, 1981, 1979, 1973, 1971, 1970, 1969, 1967, 1966, by Random House, Inc.

All rights reserved under International and Pan-American Copyright Conventions. No part of this book may be reproduced in any form or by any means, electronic or mechanical, including photocopying, without permission in writing from the publisher.

All inquiries should be addressed to Reference Department, Random House, Inc., 201 E. 50th Street, New York, N.Y. 10022.

Published in the United States by Random House, Inc., and simultaneously in Canada by Random House of Canada Limited, Toronto

The Random House Unabridged Dictionary, Second Edition, is a revised and updated edition of *The Random House Dictionary of the English Language, Second Edition, Unabridged*.

Random House Unabridged Dictionary, The Random House Dictionary of the English Language, and the abbreviations RHD, RHDEL, RHD-I, and RHD-II are trademarks of Random House, Inc.

Library of Congress Cataloging-in-Publication Data

Random House unabridged dictionary.

(Random House dictionaries)

1. English language—Dictionaries. I. Flexner,

Stuart Berg. II. Series.

PE1625.R3 1987 423 93-84591

ISBN 0-679-42917-4; 0-679-42441-5 (with CD-ROM)

A number of entered words which we have reason to believe constitute trademarks have been designated as such.

However, no attempt has been made to designate as trademarks or service marks all words or terms in which proprietary rights may exist.

The inclusion, exclusion, or definition of a word or term is not intended to affect, or to express a judgment on, the validity or legal status of the word or term as a trademark, service mark, or other proprietary term.

The Concise French Dictionary, edited by Francesca L. V. Langbaum, Copyright © 1983, 1954, by Random House, Inc.

The Concise German Dictionary, edited by Jenni Karding Moulton, Copyright © 1983, 1959, by Random House, Inc.

The Concise Italian Dictionary, edited by Robert A. Hall, Jr., Copyright © 1983, 1957, by Random House, Inc.

The Concise Spanish Dictionary, edited by Donald F. Solá, Copyright © 1983, 1954, by Random House, Inc.

International Phonetic Alphabet, courtesy International Phonetic Association.

Manufactured in the United States of America

d.s./sn

New York Toronto London Sydney Auckland

pro-tu-ber-ant (prō tūb'ər-ənt, -tyōb', -prə-), adj. bulging out beyond the surrounding surface; protruding; projecting; protuberant eyes. [1840-50; < LL *protuberant-* (s. of *protuberans*), pp. of *protuberare* to swell. See *PRO-*, *TUBER-*, *-ANT*] —*pro-tu-ber-ant-ly*, adv.

pro-tu-ber-ate (prō tūb'ər-ē, -tyōb', -prə-), v.i. -ated, -ating. to bulge out, forming a rounded projection. [1570-80; < LL *protuberatus*, pp. of *protuberare*. See *PROTUBERANT*, *-ATE*]

pro-tu-ran (prō tūb'ər-ən, -tyōb'ər-, -n), n. 1. a proturan insect; teleant. —adj. 2. belonging or pertaining to the order Protura, comprising the teleantails. (< NL *Protura*) name of the order (see *PRO-*, *TUR-*, *-A*) + *-AN*)

proud (prōd), adj., -er, -est, adv. —adj. 1. feeling pleasure or satisfaction over something regarded as highly honorable or creditable to oneself (often fol. by *of*, an infinitive, or a clause). 2. having, proceeding from, or showing a high opinion of one's own dignity, importance, or superiority. 3. having or showing self-respect or self-esteem. 4. highly gratifying to the feelings or self-esteem: *It was a proud day for him when his son entered college.* 5. highly honorable or creditable: a proud achievement. 6. stately, majestic, or magnificent: proud cities. 7. of lofty dignity or distinction: a proud name; proud nobles. 8. Chiefly South Midland and Southern U.S. pleased; happy: *I'm proud to meet you.* 9. full of vigor and spirit: a proud young stallion. 10. Obe. brave. —adv. 11. *do one proud*, a. to be a source of pride or credit to a person: *His conduct in such a difficult situation did him proud.* b. to treat someone or oneself generously or lavishly: *You really did us proud with this supper.* [bef. 1000; ME late OE *prūd*, *prūt* arrogant (c. ON *prútr* stately, fine), appar. < VL cf. OF *prud*, prod gallant, LL *prōde* useful, L *prōdesse* to be of worth] —*proud-ly*, adv. —*proud-ness*, n.

—Syn. 1. contented, self-satisfied. 2. overbearing, self-important, disdainful, imperious, presumptuous. *PROUD*, *ARROGANT*, *HAUGHTY* imply a consciousness of, or a belief in, one's superiority in some respect. *PROUD* implies sensitiveness, lofty self-respect, or jealous preservation of one's dignity, station, and the like. It may refer to an affectionate admiration of or a justifiable pride concerning someone else: *proud of his son*. *ARROGANT* applies to insolent or overbearing behavior, arising from an exaggerated belief in one's importance; *arrogant rudeness*. *HAUGHTY* implies lofty reserve and confident, often disdainful assumption of superiority over others: *the haughty manner of the butler in the play*. 6. noble, imposing, splendid. —Ant. 1. dissatisfied. 2. humble. 3. dishonorable. 6. mean; impoverished; lowly.

proud/ flesh, *Pathol.* See *granulation tissue*. [1850-1860; ME]

proud-ful (prōd'fəl), adj. Chiefly South Midland and Southern U.S. proud; full of pride. [1300-50; ME; see *PROUD*, *-FUL*]

proud-heart-ed (prōd'hārt'id), adj. 1. full of pride. 2. haughty; disdainful. [1350-1400; ME *prōde-herted*. See *PROUD*, *HEARTED*]

Proudhon (prōd dōn'), n. Pierre Joseph (pyer zhō-zēf'), 1809-65, French socialist and writer.

Proust (prōst, Fr. pʁost), n. 1. Joseph Louis (zhō-zēf' lōw), 1754-1826, French chemist. 2. Marcel (mār-sel', Fr. mār sēl'), 1871-1922, French novelist.

Proust-ian (prōst'ē-ən), adj. of, pertaining to, or resembling Marcel Proust, his writings, or the middle-class and aristocratic worlds he described. [1925-30; *PROUST* + *-IAN*]

prout-ite (prōst'it), n. Mineral. a mineral, silver arsenic sulfide, Ag₃AsS₄, occurring in scarlet crystals and masses: a minor ore of silver; ruby silver. [1825-35; named after J. L. Proust; see *-ITE*]

Prov (prov), n. Provo. [by shortening from *PROVO* or *PROVISIONAL*]

Prov. 1. Provencal. 2. Provence. 3. Proverbs. 4. Province. 5. Provoet.

PROV. 1. province. 2. provincial. 3. provisional. 4. provost.

pro-vas-cu-lar tis-sue (prō vā'skyū-lər), Bot. procambium. [*PRO-* + *VASCULAR*]

prove (prōv), v., proved, proved or proven, proving. —u.t. 1. to establish the truth or genuineness of, as by evidence or argument: to prove one's claim. 2. *Law*, to establish the authenticity or validity of (a will); *probate*. 3. to give demonstration of by action. 4. to subject to a test, experiment, comparison, analysis, or the like, to determine quality, amount, acceptability, characteristics, etc.: to prove ore. 5. to show (oneself) to have the character or ability expected of one, esp. through one's actions. 6. *Math.* to verify the correctness or validity of by mathematical demonstration or arithmetical proof. 7. Also, *proof*. *Print*, to take a trial impression of (type, a cut, etc.). 8. to cause (dough) to rise to the necessary lightness. 9. *Archaic*. to experience. —u.i. 10. to turn out: *The experiment proved to be successful.* 11. to be found by trial or experience to be: *His story proved false.* 12. (of dough) to rise to a specified lightness: *Leave covered until it has proved.* [1125-75; ME *proven* < OF *prover* < L *probare* to try, test, prove, approve, deriv. of *probus* good. See *PROBITY*] —*prov-a-ble*, adj. —*prov-er-ibil-ity*, *prov-a-ble-ness*, n. —*prov-a-bly*, adv. —*prov-er-ily*, adv. —*prov'er*, n.

CONCISE ETYMOLOGY KEY: < descended or borrowed from: > whence: b. blend of, blend of, cognate with, cf. compare: deriv. derivative, equiv., equivalent, imit. imitative, obs. obsolete, r. replacing a, stem, sp. spelling, spelled resp. respelling, respelled, trans. translation, * origin unknown, * unattested, † probably earlier than. See the full key inside the front cover.

pro-strike, adj.
pro-sub-scrip-tion, adj.
pro-sub-sti-tu-tion, adj.
pro-Su-da-nese, adj. n. pl. -nese.
pro-suff-frag, adj.
pro-super-vi-sion, adj.
pro-super-port, adj.
pro-sur-gi-cal, adj.
pro-sur-ren-dér, adj.

—Syn. 1. demonstrate, confirm, substantiate, verify. —Ant. 1. disprove.

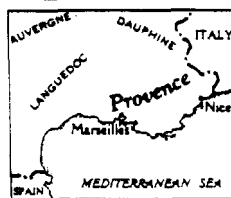
—Usage. Either *PROVE* or *PROVEN* is standard as the past participle of *PROVE*. *Evenus have proved* (or *proven*) him wrong. As a modifier, *PROVEN* is by far the more common: *a proven fact*.

prov-e-nance (prōv'ə-nāns, -nāns'), n. place or source of origin: *The provenance of the ancient manuscript has never been determined.* [1860-65; < F, deriv. of *provenant*, pp. of *provenir* < L *provenire* to come forth; see *PRO-*, *CONVEN-*, *-ANT*]

Provençal (prōv'ən-sāl, prov'ən-, -ən; Fr. *pro vən sal*), adj. 1. of or pertaining to Provence, its people, or their language. —n. 2. a native or inhabitant of Provence. 3. Also called *Oc*, a Romance language once widely spoken in southern France, still in use in some rural areas. Abb.: Fr. Prov. Cf. *langue d'oc*. 4. the dialect of Provençal used in Provence. [1580-90; < MF < L *provincialis* PROVINCIAL. See *PROVENCE*, *-AL*]

Provençale (prōv'ən-sāl, -ven-, prov'ən-, -ən; Fr. *pro vən sal*), *Cookery*. —adj. 1. (sometimes Lc.) cooked, usually in olive oil, with garlic, tomatoes, onions, and herbs. —n. 2. Also called *Provencal sauce*, a thick sauce of tomatoes, garlic, and seasonings cooked in oil. [1835-45; < F (d la) *provençale* in the Provençal manner]

Provence (prō vāns', Eng. *pre vāns'*), n. a region in SE France, bordering on the Mediterranean; formerly a province; famous for medieval poetry and courtly traditions.



Provence/ rose, an erect Eurasian shrub, *Rosa gallica*, of the rose family, having a creeping rootstock, densely prickly and bristly stems, and large, solitary, pink or crimson flowers. Also called *French rose*. [1570-80]

provender (prov'ən-der), n. 1. dry food, as hay or oats, for livestock or other domestic animals; fodder. 2. food; provisions. [1275-1325; ME *provendre* < OF, var. of *providenda* *providend*, *provender* < ML *providenda*, alter. of *providenda* *providend*, perh. by assoc. with L *providere* to look out for, *PROVIDE*] —Syn. 1. See *feed*.

pro-ven-i-ence (prō vē'nē-ens, -vən'yens), n. provenance; origin; source. [1880-85; < L *provenient* (ent). (s. of *proveniens*, pp. of *provenire* to come forth, arise) + *-ENCE*. See *PROVENIENCE*]

pro-ven-tri-cu-lus (prōv'ən-trik'yū-lē), n., pl. -tri-cu-li (-trik'yū-lī). 1. the glandular portion of the stomach of birds, in which food is partially digested before passing to the ventriculus or gizzard. 2. a similar enlargement in the alimentary tract of several invertebrates, variously modified for maceration and digestion. [1825-35; *PRO-* + *VENTRICULUS*] —*pro-ven-tri-cu-lar*, adj.

pro-verb (prōv'ərb), n. Gram. a word that can substitute for a verb or verb phrase, as *do* in *They never attend board meetings, but we do regularly.* [1905-10; by analogy with *PROVERB*]

pro-verb (prōv'ərb), n. 1. a short popular saying, usually of unknown and ancient origin, that expresses effectively some commonplace truth or useful thought; *adage*; *saw*. 2. a wise saying or precept; a didactic sentence. 3. a person or thing that is commonly regarded as an embodiment or representation of some quality; *byword*. 4. Bible. a profound saying, maxim, or oracular utterance requiring interpretation. —u.t. 5. to utter in the form of a proverb. 6. to make (something) the subject of a proverb. 7. to make a byword of. [1275-1325; ME *proverbe* < MF < L *proverbium* *adage*, equiv. to *pro-* *PRO-* + *verb(um)* *word* + *-ium* *-rum*] —*pro-verb-like*, adj. —Syn. 1. aphorism, apothegm. *PROVERBS*, *MAXIMS* are terms for short, pithy sayings. *A PROVERB* is such a saying popularly known and repeated, usually expressing simply and concretely, though often metaphorically, a truth based on common sense or the practical experience of humankind: "A stitch in time saves nine." *A MAXIM* is a brief statement of a general and practical truth, esp. one that serves as a rule of conduct or a precept: "It is wise to risk no more than one can afford to lose."

pro-ver-bi-al (prōv'ərb-ē-əl), adj. 1. of, pertaining to, or characteristic of a proverb; *proverbial brevity*. 2. expressed in a proverb or proverbs; *proverbial wisdom*. 3. of the nature of or resembling a proverb; *proverbial sayings*. 4. having been made the subject of a proverb; *the proverbial barn door which is closed too late*. 5. having become an object of common mention or reference; *your proverbial inability to get anywhere on time*. [1400-50; late ME < L *proverbialis*. See *PROVERB*, *-AL*] —*pro-ver-bi-ally*, adv.

Proverbs (prōv'ərbz), n. (used with a singular) a book of the Bible, containing the sayings of sages. Abb.: *Prov.*

pro-vid-e (prō vid'), v., -vid-ed, -vid-ing. —u.t. 1. to

make available; furnish: to provide employees with various benefits. 2. to supply or equip: to provide the army with new fighter planes. 3. to afford or yield. 4. *Law*, to arrange for or stipulate beforehand, as by a provision or proviso. 5. *Archaic*, to prepare or procure beforehand. —u.i. 6. to take measures with due foresight (usually fol. by *for* or *against*). 7. to make arrangements for supplying means of support, money, etc. (usually fol. by *for*): *He provided for his children in his will.* 8. to supply means of support (often fol. by *for*): to provide for oneself. [1375-1425; late ME *providen* < L *providēre* to foresee, look after, provide for, equiv. to *pro-* *PRO-* + *vidēre* to see] —*pro-vid-a-ble*, adj. —Syn. 1. give, render. 3. produce.

pro-vid-ed (prō vī'did), conj. on the condition or understanding (that); providing: *I'll go provided that the others go, too.* [1375-1425; late ME. See *PROVIDE*, *-ED*]

—Syn. in case, granted. See *IF*. —Ant. lest. —Usage. The conjunctions *PROVIDED* and *PROVIDING* are interchangeable. Both mean "on the condition or understanding that," with that sometimes expressed: *Provided (or Providing) no further objections are raised, we will consider the matter settled.*

pro-vid-ence (prōv'i-dens), n. 1. (often cap.) the foreseeing care and guidance of God or nature over the creature of the earth. 2. (cap.) God, esp. when conceived as omnisciently directing the universe and the affairs of humankind with wise benevolence. 3. a manifestation of divine care or direction. 4. provident or prudent management of resources; prudence. 5. foresight; provident care. [1300-50; ME < L *providentia* foresight, forethought. See *PROVIDENT*, *-ENCE*]

Provi-dence (prōv'i-dens), n. a seaport in the NE part, and the capital of Rhode Island, in the NE part, at the head of Narragansett Bay. 156,804.

pro-vid-ent (prōv'i-dent), adj. 1. having or showing foresight; providing carefully for the future. 2. characterized by or proceeding from foresight; *provident care*. 3. mindful in making provision (usually fol. by *of*). 4. economical; frugal; thrifty. [1400-50; ME < L *provident-* (s. of *providens*), pp. of *providere* to look out for, *PROVIDE*] —*pro-vid-ent-ly*, adv. —*pro-vid-ent-ness*, n. —Syn. 1. cautious, prudent. —Ant. 1. careless.

pro-vid-en-ti-al (prōv'i-den'shē-əl), adj. 1. of, pertaining to, or resulting from divine providence; *providential care*. 2. opportune, fortunate, or lucky: a providential event. [1640-50; < L *providenti(a)* *PROVIDENCE* + *-AL*] —*pro-vid-en-ti-ally*, adv. —Syn. 2. happy.

pro-vid-er (prōv'ī-der), n. 1. a person or thing that provides. 2. a person who supports a family or another person. [1515-25; *PROVIDE* + *-ER*]

pro-vid-ing (prō vī'ding), conj. on the condition or understanding (that); providing: *He can stay here providing he works.* [1375-1425; late ME *providyng*. See *PROVIDE*, *-ING*] —Syn. See *IF*. —Usage. See *PROVIDED*.

province (prōv'ins), n. 1. an administrative division or unit of a country. 2. the provinces, a. the parts of a country outside of the capital or the largest cities. b. (in England) all parts of the country outside of London. 3. a country, territory, district, or region. 4. Geog. See *physiographic province*. 5. a department or branch of learning or activity: the province of mathematics. 6. sphere or field of activity or authority, as of a person; office, function, or business: *Such decisions do not lie within his province.* 7. a major subdivision of British India. 8. an ecclesiastical territorial division, as that within which an archbishop or a metropolitan exercises jurisdiction. 9. Hist. a. any of the North American colonies now forming major administrative divisions of Canada. b. any of certain colonies of Great Britain which are now part of the U.S. 10. Rom. Hist. a country or territory outside of Italy, brought under the ancient Roman dominion and administered by a governor sent from Rome. 11. Mining. an individual mineral-producing area. [1300-50; ME < MF < L *provincia* province, official charge] —Syn. 5. area.

Province-town (prōv'ins toun'), n. a town at the tip of Cape Cod, in SE Massachusetts; resort. 3536.

Prov-incetown print, a print made from a woodblock incised with grooves that serve to separate the colors being used and to leave white lines highlighting the design.

pro-vin-cial (prō vin'shē-əl), adj. 1. belonging or peculiar to some particular province; local: the provincial newspaper. 2. of or pertaining to the provinces; provincial customs; provincial dress. 3. having or showing the manners, viewpoints, etc., considered characteristic of unsophisticated inhabitants of a province; rustic; narrow or illiberal; parochial: a provincial point of view. 4. (often cap.) Fine Arts. noting or pertaining to the styles of architecture, furniture, etc., found in the provinces, esp. when imitating styles currently or formerly in fashion in or around the capital: Italian Provincial. 5. Hist. of or pertaining to any of the American provinces of Great Britain. —n. 6. a person who lives in or comes from the provinces. 7. a person who lacks urban sophistication or broad-mindedness. 8. Eccles. a. the head of an ecclesiastical province. b. a member of a religious order presiding over the order in a given district or province. [1300-50; ME (n. and adj.) < L *provincialis*. See *PROVINCE*, *-AL*] —*pro-vin-cial-ly*, adv. —Syn. 3. rural, small-town.

pro-vin-cial-ism (prō vin'shē-liz'm), n. 1. narrowness of mind, ignorance, or the like, considered as resulting from lack of exposure to cultural or intellectual activity. 2. a trait, habit of thought, etc., characteristic of a provincial, a province, or the provinces. 3. a word ex-

pro-trade, adj.
pro-trad-i-tion, adj.
pro-trad-i-tion-al, adj.
pro-trag-e-dy, adj.
pro-Tu-ni-sian, adj.

Second College Edition

**The
American Heritage
Dictionary**

Houghton Mifflin Company BOSTON

Words that are believed to be registered trademarks have been checked with authoritative sources. No investigation has been made of common-law trademark rights in any word, because such investigation is impracticable. Words that are known to have current registrations are shown with an initial capital and are also identified as trademarks. The inclusion of any word in this Dictionary is not, however, an expression of the Publisher's opinion as to whether or not it is subject to proprietary rights. Indeed, no definition in this Dictionary is to be regarded as affecting the validity of any trademark.

Copyright © 1982, 1985 by Houghton Mifflin Company. All rights reserved. No part of this work may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system, except as may be expressly permitted by the 1976 Copyright Act or in writing by the Publisher.

All correspondence and inquiries should be directed to
Reference Division, Houghton Mifflin Company
One Beacon Street, Boston, MA 02108

Library of Congress Cataloging in Publication Data

Main entry under title:

American Heritage dictionary.

Rev. ed. of: American Heritage dictionary of the English language. New college ed. c1976.

1. English language—Dictionaries. I. Morris, William, 1913—

PE1625.A54 1982 423 82-9346

ISBN 0-395-32943-4

ISBN 0-395-32944-2 (thumb index)

ISBN 0-395-33959-6 (deluxe edition)

Manufactured in the United States of America



DEPARTMENT OF JUSTICE

GLASSER LEGALWORKS SEMINAR

Competitive Policy in Communications Industries:
New Antitrust Approaches

PREPARING FOR COMPETITION
IN A DEREGULATED
TELECOMMUNICATIONS MARKET

By

JOEL I. KLEIN
Acting Assistant Attorney General
Antitrust Division
U.S. Department of Justice

Presented at

Willard Inter-Continental Hotel
Washington, D.C.

March 11, 1997

First, I want to say that I'm delighted to be here today and I'm grateful to Joe Sims and Phil Verveer for having invited me. I can tell from reading the program and looking at the impressive array of speakers that this has been a comprehensive and informative conference on some cutting-edge issues in the communications industry. In fact, when I realized that I was going to be the last person to speak I was reminded of Adlai Stevenson's quip in a similar situation when he said, "We're at the point in the program where everything that could be said has been said but, unfortunately, not everyone has had a chance to say it." So, I'm especially appreciative that so many of you have stayed around to hear my closing remarks and I hope that, despite the odds, I may be able to add something to the overall discussion.

Let me start by stating the obvious: what we're going through right now in the communications field is truly extraordinary. Technology, globalization, and last year's legislative, executive, and administrative actions have come together to create an environment of rapid change, great opportunity, and considerable risk. We all know that ten years from now things will be very different in the communications industry; we just don't know how they'll differ. From our perspective at the Antitrust Division, we have one, overarching goal -- to maximize competition. To be more concrete about that, as I see it, the ideal result would be a variety of different conduits - be it wire, wireless, cable, or what have you -- that link people with all kinds of content -- be it voice, video, audio, computer, and so on. But envisioning an ultimately desirable competitive market structure is not the difficult part here; what's really hard is how we get there in a market that's transitioning from regulation to competition. And that is the journey that we in the Antitrust Division have embarked upon -- at a somewhat dizzying pace, I might add, since the passage of the 1996 Telecom Act a little more than a year ago.

Before I focus in on some of the specifics, let me give you a sense of the breadth of what

we're dealing with. In the first place, we've seen a flood of radio mergers now that the 1996 Act has authorized far more liberal ownership rules. I'm advised that there have been over a thousand such mergers in the past year and about 150 of them have been brought before the Division, principally through the Hart-Scott-Rodino process, but also through independent inquiry in several non-reportable transactions. We've conducted extensive investigations in many of these cases and, to date, we've sought divestitures in a handful of mergers. And while that's important, in terms of the economy the real story here is how much concentration is occurring. In short, the concentration envisioned by Congress is taking place, no doubt allowing the industry to achieve some important efficiencies. And so long as this consolidation doesn't erode competitive opportunities in any market -- and, with the application of sound antitrust principles as a guide, I don't think it will -- then these mergers may ultimately strengthen the position of radio in the overall communications industry. And, frankly, that's all to the good.

Beyond radio, we're also experiencing consolidation in other areas of the communications industry. The FCC is still evaluating what limits to place on broadcast ownership but, in other areas, we've already seen significant movement. There's been a major Bell Company/cable merger -- U.S. West/Continental Cable -- which the Division cleared with some modification to the original deal. And we've also seen three major telephone mergers -- SBC/PacTel, which we cleared without objection several months ago, and Bell Atlantic/NYNEX and MCI/British Telecom, which are both still pending before us. These cases raise important questions about potential competition, and also about international interconnection where market conditions may differ significantly in different countries and we have expended, and will continue to expend, considerable time and energy analyzing them and other such mergers that may come before us in the future.

Now, in the time that remains, I'd like to focus in on one particularly challenging aspect of this journey through the communications industry and that is the deregulation of telephone services in this country. This was probably the most significant part of the 1996 Act and it raises enormously difficult questions, questions that we at the Division have, to some degree, been dealing with under the Modified Final Judgment, or the "MFJ," that resulted in the break-up of AT&T and the creation of seven Regional Bell Operating Companies, or "RBOCs," as they are called, with severe restrictions on what they could do beyond providing local telephony within their own service areas. As a result of that lawsuit, there can be little doubt that the Nation has seen significantly improved long distance competition, accompanied by the innovation and downward pressure on prices that results from such competition. That is not to say that everything's perfect in long distance -- even more competition would certainly be welcome -- but it's important to recognize how far we have come when we have three well-established competitors, hundreds of other resellers, and four fiber-optic systems wiring the country, with a fifth in progress. I can tell you from my personal dealings with officials from other countries that, as a result of the AT&T case, the U.S. is positioned for global competition in a way that is the envy of our current trading partners -- whose telephone companies will be our future competitors. I might add.

But now we are charged with taking the next steps -- in particular, the Congress, together with the leadership provided by the Clinton Administration, established a statutory framework that is designed to open up local telephone markets to competition and that would also allow the local companies to move into in-region, long distance service for the first time. The goal of this process is to have full-scale competition in telephony throughout the nation. In a nutshell, consumers should have as many as possible, but at least several, local options, long distance options, and,

ultimately, combined local and long distance options (one-stop shopping, if you will). Once again, knowing where we want to get is the easy part: it's getting there that's hard. And to accomplish that goal, the statute puts in place a variety of interrelated steps and assigns responsibility to three separate agencies -- the FCC, the various state regulatory commissions, and the Department of Justice. This mix of players, I would suggest, sensibly reflects the fact that telephone regulation has historically been a shared function of the FCC and the state agencies and, quite naturally, both of them are necessary to the deregulatory process as well. And we also belong there, essentially because the goal of the process is competition and we have expertise in that area generally and with respect to telephony, in particular, because of our extensive involvement in the AT&T case.

The vision of the 1996 Act was premised on a simple formula: if the regulatory environment were different, the market for local telephone service -- previously thought to be a "natural monopoly" -- would be subject to the discipline of competition, bringing down prices and increasing quality and choices for consumers. On this point, there was widespread agreement, supported by the experience of several states in paving the way for competition in the market for local telephone services. Building on that experience in 1995, the Antitrust Division, along with Ameritech, AT&T, and many other parties proposed, on a trial basis, a waiver of the MFI, allowing Ameritech to offer in-region, long distance service in return for compliance with some measures designed to open its local market to competition and a demonstration that actual competitive opportunities were expanding. This proposed waiver, like the 1996 Act, contemplated the creation of new, facilities-based, local service as a way to bring real competition to the local telephone market. The Act seeks to do this on a much broader scale, and in so doing, calls for a series of transitional steps. Getting these steps right is no easy task, and although they may not immediately

lead to the type of comprehensive facilities-based service that we hope to see over time, we all realize that we should not let the perfect be the enemy of the good here.

As I see it, then, implementing the deregulatory vision set out in the 1996 Act involves four basic things: (1) a set of rules that will allow new entrants into local markets -- the so-called interconnection rules adopted by the FCC last August and which have now been stayed in significant part by the Eighth Circuit; (2) another set of provisions that establish the criteria necessary to facilitate local competition and with which the RBOCs must comply before they are allowed to provide long distance and one-stop shopping services; (3) access reform, designed to reduce the price paid to local carriers for originating and terminating long distance calls so that this price will reflect the actual cost of providing the service; and (4) a universal service plan that will eventually replace the implicit subsidies contained within the current regulated telephone service system with explicit and competitively neutral subsidies. As to this last point, I should quickly explain that the current system requires some users to pay above-cost rates to subsidize other users who are served at rates below cost; the 1996 Act calls for these implicit subsidies to be made explicit and to be paid for through a competitively neutral universal service fund. Until we fully implement this mandate, some local exchange carriers (or LECs, as they are called) may be required to bear the costs of serving these customers at uneconomic rates and/or we will continue to see inefficient pricing and entry signals which will tend to distort competitive opportunities and thereby hurt consumers.

Now, as I see it, the paradox of this kind of deregulatory effort is that it depends upon a series of regulatory steps -- all taken, to be sure, in the name of deregulation -- and those regulatory steps, in turn, can significantly affect the long-term prospects for full-scale competition in

telephony. There is no formula or equation that one can look to in order to get these things right. They involve the exercise of discretion by government agencies, which in turn requires careful, sound judgments. And, given that these predictive judgments are necessarily based on incomplete information, we should all be somewhat humble in second-guessing those who have to make the calls. Interestingly, the Fifth Circuit, quoting Justice Cardozo, made just this point about a quarter of a century ago in a case evaluating an FCC regulation prohibiting telephone companies from offering cable service in their regions, explaining that:

[i]n a complex and dynamic industry such as the communications field, it cannot be expected that the agency charged with its regulation will have perfect clairvoyance. Indeed, Justice Cardozo once said, "Hardship must at times result from postponement of the rule of action till a time when action is complete. It is one of the consequences of the limitations of the human intellect and of the denial to legislators and judges of infinite prevision."¹

Against the backdrop of this call for humility, let me now go on to highlight the problems in making the necessary regulatory judgments by examining the four transitional steps that I just mentioned. First, in order to get even some local competition, at least for some period of time, competing carriers will have to either purchase service from the LEC at wholesale and attempt to compete with the same LEC by reselling at retail or it will have to use the LEC's facilities -- switches, loops, and the like -- in whole or in part. In either case, someone has to set a price for the product -- be it wholesale service or the unbundled elements. That price in turn can have important repercussions -- set too high, it can unfairly burden new entrants and make local competition impossible; and set too low, it can give new entrants a competitive advantage at the expense of the incumbent LEC. What this all means is not just that one of these

¹General Telephone Co. of Southwest v. United States, 449 F.2d 846, 863 (5th Cir. 1971) (quoting Benjamin Cardozo, *The Nature of the Judicial Process* 145 (1921)).

companies may make a little (or even a lot) more than the other but that long-term competitive conditions can be seriously affected by these pricing decisions. This particular concern has led to the Eighth Circuit litigation in which the incumbent LECs are challenging the FCC's pricing methodology (as well as the Commission's authority to impose a certain pricing methodology to begin with). Fortunately, at least from our point of view, most of the States have followed the Commission's pricing methodology and so, while the litigation goes forward, the actual prices for wholesale and unbundled elements may not be materially different regardless of who ultimately prevails in the Eighth Circuit. I say that's fortunate from our point of view because we supported the FCC's approach as a sound pricing methodology for stimulating efficient local entry.

The second area where some difficult regulatory decisions must be made in this deregulatory process has to do with the issue of when a particular RBOC is permitted to enter the long distance market. Under the statute, this is a state-by-state determination, made by the FCC, with key inputs from the state regulatory agencies and the Department of Justice. Here, too, you can readily see the significance of the trade-offs in the regulatory decision. If you let the RBOC into long distance prematurely, two bad things can happen. First, you may undermine the chance to ensure a competitive local market since, once in long distance, the RBOC's incentive to cooperate with its competitors will diminish -- if not altogether, at least significantly. And second and derivatively, a premature entry into in-region, long distance service gives the RBOC an unfair advantage in the offering of one-stop shopping since it can readily combine its local service with one of several long distance services easily available to it in the marketplace, while its potential competitors may not have nearly so easy a time combining

their long distance service with local service that has heretofore been unavailable to them. On the other hand, if you keep the RBOC out of long distance for too long a period, you risk giving the long distance carriers an undue competitive benefit, since only they are able to offer customers both local and long distance service for the period of time that the RBOC is denied entry, thereby giving them a first mover advantage. Not surprisingly in this environment, both kinds of carriers -- local and long distance -- feel very strongly about the timing of RBOC entry into long distance, even to the point of purchasing significant advertising to make their respective cases.

For our part at the Antitrust Division, the issue of RBOC entry into long distance has been a special focus. Under the statute, we are expressly charged with evaluating each of the fifty state applications and our competitive assessment must be given "substantial weight" by the FCC. What is probably most notable about the process is that we are authorized to make our assessment "using any standard the Attorney General considers appropriate." Now, given that broad swath, the first thing we needed to do is to establish a concrete standard so that applicants would know in advance how we'd be evaluating them. We also needed to relate our standard to the other, specific provisions of the statute -- such as the 14-point checklist, the Section 272 separate-subsidary requirements, and the Track A and Track B entry provisions, as well as the public interest test that the FCC is charged with applying. In order to meet this challenge, we engaged in an extensive inquiry, soliciting comments from all interested parties and meeting with virtually all the affected players. We received almost seventy-five comments and have met with countless industry officials.

The upshot of this process has been to reach the following conclusion: Our basic